



# 3(16)

FIDUCIARY SERVICES

"Our *mission* is to  
*help* our clients  
maintain 401(k) *compliance*  
and *avoid unnecessary risk.*"

COLLABORATION. COMPLIANCE. CONVENIENCE.

**More Info:**

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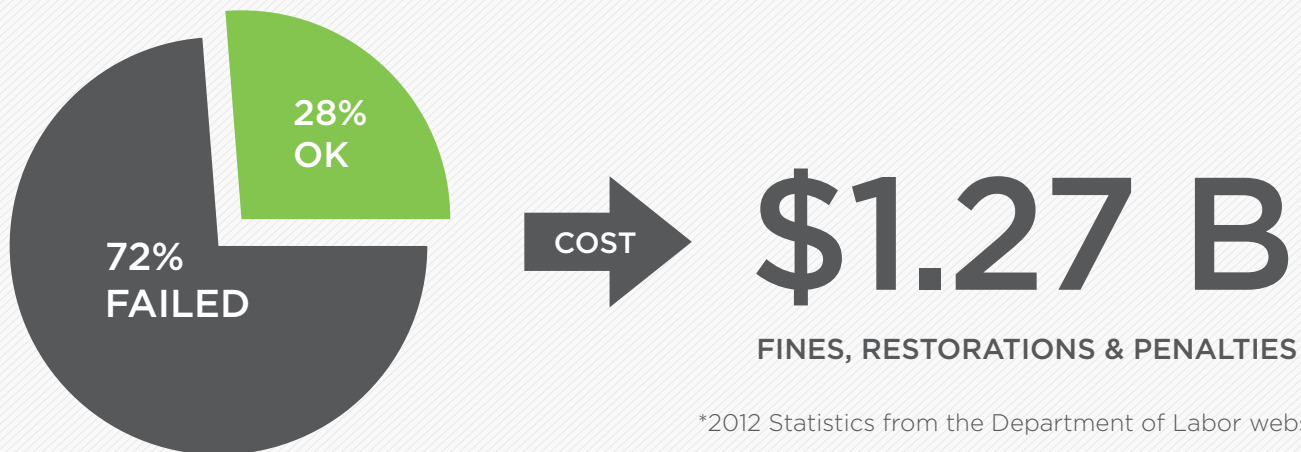
[www.316fiduciary.com](http://www.316fiduciary.com)



## SOBERING FACTS ABOUT YOUR 401(K) PLAN

- Company owners, CFO's, and HR personnel are often considered plan fiduciaries
- Fiduciaries may be personally liable for any breach - there is no corporate veil of protection
- Most companies mistakenly believe they have fulfilled their fiduciary duties by hiring a Third Party Administrator (TPA)
- Your TPA may not be a fiduciary and therefore will not be held responsible for non-compliance and resulting penalties, fines, and restorations. You are liable for the results of their work
- In 2012, 72% of audited plans were found delinquent, resulting in \$1.27 B in fines

### DOL 401(K) PLAN AUDIT RESULTS - 2012



\*2012 Statistics from the Department of Labor website

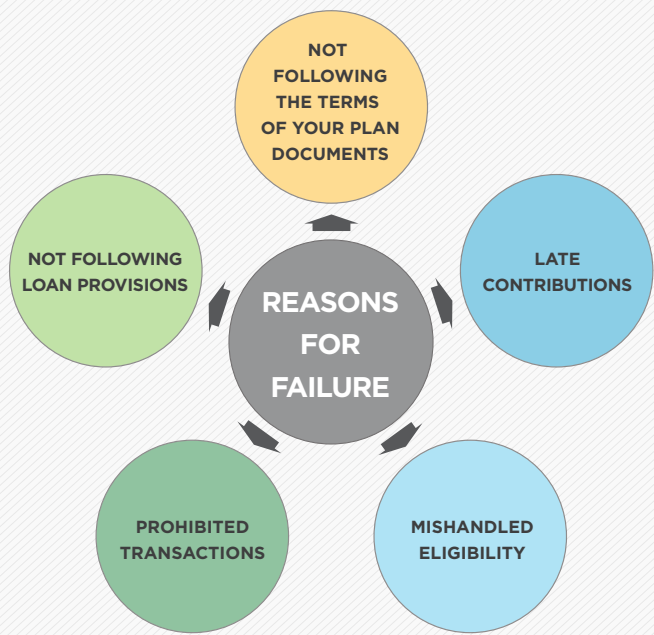
### DID YOU KNOW?

- You are more likely than ever to be subject to a compliance review by the DOL
- The DOL has increased their number of auditors by nearly 1,000 to more aggressively enforce 401(k) compliance
- In addition to the DOL, employee complaints and inquiries are on the rise
- In 2012, 239,520 employee inquiries resulted in \$260.7 M in fines and restorations



# WHY DO SO MANY COMPANIES FAIL?

*“The majority of violations generally come from oversight, errors and omissions by plan sponsors.”*



- Maintaining compliance can be difficult and as the fiduciary, you are held to the standard of an “Industry Expert”.
- The DOL has stated that getting your fiduciary duties correct is challenging for employers, even more so for small to medium sized employers with limited time and resources.

*If you are not an expert, the DOL advises that you hire one.*

## YOU HAVE 3 OPTIONS...

- 1. Hope that you never get audited.
- 2. Become a “Fiduciary Expert” and retain 100% financial liability for compliance.
- 3. Hire a Fiduciary Expert who will help you ensure compliance and reduce your risk.



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## SERVICE HIGHLIGHTS

- **Oversight and Execution of Form 5500:** Overseeing and providing related guidance with respect to the TPA's timely completion of the Plan's annual information returns on the Form 5500, and executing such information returns including any related filing extensions in its capacity as a Plan Administrator
- **Financial Statements:** Overseeing and providing related guidance with respect to the TPA's preparation of the financial statements for the Plan
- **General:** Interpreting the terms of the Plan and determining all questions arising in connection with the administration, interpretation, and application of the Plan with respect to benefits
- **Loans and Distributions:** Approve and sign loans and distributions
- **Adjudicating Benefit Claims:** Reviewing and adjudicating all benefit claims made by Participants under the Plan
- **Determination of Eligibility:** Determining all questions relating to the eligibility of an employee of Client to participate or remain a Participant and to receive benefits under the Plan
- **Determination of Benefits:** Reviewing and certifying the amount and kind of benefits to which a Participant is entitled
- **Oversight of Contribution Calculations:** Reviewing and certifying the amount of funds necessary for an intended contribution to the Plan
- **QDROs:** Reviewing and certifying the validity of, and taking appropriate action with respect to, any qualified domestic relations order
- **Oversight for Participant Disclosures:** Overseeing and providing related guidance with respect to the preparation of the Plan's summary plan description, benefit statements and any other participant disclosures required under ERISA by the Recordkeeper and/or TPA, and the timely delivery of such participant disclosures (subject to Section 2(D) of this Agreement)
- **Oversight of Recordkeeper:** Overseeing and providing related guidance with respect to the Recordkeeper's performance of its core recordkeeping services, including but not limited to the maintenance of Plan accounts for individual Participants, and gathering relevant information to assist Client in its evaluation and monitoring of such performance
- **Oversight of TPA:** Overseeing and providing related guidance with respect to the TPA's performance of its benefits-related administrative services, and gathering relevant information to assist Client in its evaluation and monitoring of such performance



## WORKING TOGETHER

### COLLABORATION:

1. 3(16) Fiduciary Services partners with your current TPA and advisor, therefore you keep your existing relationships.
2. We support your HR department by providing more control and compliance oversight to them, which allows them to spend time providing better employee outcomes rather than being buried in compliance minutia.

### COMPLIANCE:

1. 3(16) Fiduciary Services' singular focus is fulfilling Plan Administrator duties in a timely and compliant manner.
2. We are experts of Plan Administrator responsibilities and the complexity of 401(k) compliance.
3. We assume fiduciary responsibility and liability of the administrative duties.

### CONVENIENCE:

1. 3(16) Fiduciary Services reduces much of the daily management and work associated with your plan.
2. We eliminate the need for you to spend time and resources learning all the required ongoing compliance requirements.
3. Refocus your time on other HR or business related issues.
4. It is easy to implement; simply sign the service agreement and give yourself peace of mind.

**3(16) becomes a valuable part of your team, allowing you to devote your time and energy on growing your business, while we focus our efforts to protect your business.**